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CHAFEE ON AMERICA'S RELIANCE ON FOREIGN ENERGY: "THE TIME HAS COME TO ACT"

*Opening Statement from Today's Hearing
on U.S. Reliance on Foreign Energy*

WASHINGTON, D.C. – Today **U.S. Senator Lincoln Chafee (R-RI)**, Chairman of the Senate Committee on Foreign Relations, Subcommittee on Near Eastern and South Asian Affairs, chaired a hearing on **"U.S. Foreign Policy, Petroleum and the Middle East."** Topics of discussion included America's dependence on foreign oil, greater energy efficiency, alternative energy sources, terrorism, and its effect on U.S. foreign policy. In addition, the collaboration of the Department of State and the Department of Energy on these issues was explored. The following is Senator Chafee's opening statement from this hearing:

"The Committee on Foreign Relations Subcommittee on Near Eastern and South Asian Affairs is pleased to welcome two panels of witnesses today. On our first panel we will hear from Mr. Stephen Gallogly, a fellow Rhode Islander and Director of the Office of International Energy and Commodity Policy at the Department of State – and, Mr. Alan Misenheimer, Director of the Office of Arabian Peninsula and Iran Affairs also at the Department of State, and Mr. George Person, Director of the Office of African and Middle Eastern Affairs at the Department of Energy. Gentlemen, welcome.

Our second panel will consist of Dr. Gal Luft, Co-Director of the Institute for the Analysis of Global Security and co-chair of the Set America Free Coalition, Mr. Robert Ebel, Chairman of the Energy Program at the Center for Strategic and International Studies, and Mr. Tom Collina, Executive Director of 20/20 Vision. We look forward to your testimony.

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The purpose of this hearing is to examine: why the US is dependant on foreign fuel, how such dependence shapes US policies while potentially contributing to terrorist activities, and what ways we can effectively address this problem.

An overdependence on oil can be a dangerous addiction. It harms our environment, and imperils our national security. Our economy is vulnerable to price shocks from disruption of oil supply – a lesson we learned all too well in the 1970s. While we learned it then, over the past 25 years we have been lulled into a false sense of security by plentiful oil at as low as \$9 a barrel.

It is true that the US imports oil from a variety of foreign sources, including Canada, Venezuela and Mexico. However, nearly 30 percent of imported oil comes from the Middle East – and that figure is expected to greatly increase over time. Given the region's enormous oil reserves, and its general instability, I believe it is important to continually inquire as to how dependence on oil affects our foreign policy in the region.

Since I have come to the Senate, I have supported common-sense policies to increase supply of alternative energy, increase energy efficiency, and decrease demand. These initiatives have been consistently defeated.

When the Energy bill was approved, gas prices were roughly \$2/gallon. Since that time, prices have increased nearly a one-third, up to roughly \$3/gallon. This rapid spike in prices had a negative effect on economy. And it does not appear to be a short-term change. This should demonstrate to everyone that our economy is very vulnerable to oil shocks and that we should be doing more to address this problem. Despite a barrage of warnings about the vulnerability of New Orleans, our government was surprised by the damage done there by Katrina. I hope we have learned our lesson and don't let the same thing happen on energy.

I called this hearing to again push this important issue into the national spotlight, to raise public awareness, and explore ways to facilitate real changes in our foreign and domestic policy. We will hear from the co-Chair of the Set America Free Coalition, Dr. Gal Luft, who will talk about his group's plan to reduce dependence on foreign oil. Components of the plan include increasing use of hybrid and plug-in hybrid electric vehicles, and use of bio-mass fuels, such as waste and switchgrass. I look forward to a discussion where we assess the viability and ability to implement these types of recommendations.

It is my hope that we will exercise the necessary political will to address this critical issue of energy security. The time has come to act."

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